

Overview of the Health Resources and Services Administration's State Health Access Program (SHAP) Grants Oregon's Grant Award

In September 2009, Oregon was awarded a five-year, competitive federal grant to support health care coverage expansion efforts. The federal Health Resources and Services Administration (HRSA) awarded \$70.9 million in grants to 13 states under the State Health Access Program (SHAP). Oregon received \$9.96 million for the first year of the program, the second highest award. Oregon has requested \$43.8 million over the five year period; however states must reapply each year. Subsequent years of funding are contingent upon meeting performance measures and the availability of federal funding.

Purpose of Grant

The HRSA SHAP grant is a new federal opportunity to support state efforts to significantly increase health care coverage as part of a plan for comprehensive health reform. In June, the Office for Oregon Health Policy and Research (OHPR) submitted an application on behalf of the State.

- To qualify for \$7-\$10 million per year in funding, Oregon was required to demonstrate that it is on track to implement a comprehensive coverage plan over the next five years.
- While the grant allows some limited “pre-implementation” activities, funding is primarily intended to support the implementation of coverage to new populations.
- Matching 20% of the federal grant is required, which can be a combination of State, local, or private dollars. Waiver of the matching requirement is possible if financial hardship is demonstrated.
- States must provide a five year plan for increasing coverage in their application, while the initial grant award is only for the first year. States will be required to reapply for each subsequent year of funding.

Proposal Overview

In June 2009, the Legislature passed House Bills 2116 and 2009, implementing many of the recommendations of the Oregon Health Fund Board (OHFB) for comprehensive health reform. The initiatives within these bills carry out the Board's vision of a healthy Oregon and universal access to coverage by 2015, by expanding coverage, improving quality, and containing costs.

- Grant funds will augment and strengthen current efforts to expand coverage and will assist implementation planning for broader coverage expansions. Sustainability of grant-funded activities will be ensured by partnering grant funds with OHFB's currently proposed cost containment strategies.
- Aligning with Oregon's legislative priorities, initial emphasis will be on implementing coverage programs for all uninsured **children** and for **adults under 100% of poverty** and then taking steps to provide affordable, sustainable coverage options for **all Oregonians**, including:
 - a health insurance exchange;

- an affordable small business insurance product;
 - reinsurance strategies to reduce insurance costs; and,
 - “multi-share” models that would utilize contributions from employers, employees, and the community to finance health care for working uninsured.
- Work will also begin on a “value-driven” benefit design and payment reform strategies that can be resources across all coverage populations and programs.
- The benefit piece is integral to the coverage options outlined above to improve the quality of care and ensure insurance coverage is sustainable by curbing cost growth. This work would translate treatment effectiveness research into guidelines and benefit specifics and ensure the integration of a patient-centered, primary care home, along with other reform strategies that drive value.
 - Reforming payment methodologies, such as episode-based payment structures, can further control costs and will complement work currently planned around reimbursement for patient-centered, primary care homes.

Grant Activities and Timeline

Coverage Phase 1 – Children and Low-Income Adults

Grant years 1 & 2

October 2009 – September 2011

- **Children:** Expand insurance coverage via Healthy Kids to all children statewide using grant funding to ensure the effective enrollment of all children. Grant funds will:
 - Support implementation of aggressive, multi-faceted marketing and outreach strategies;
 - Streamline eligibility and enrollment processes through technical and other systems improvements;
 - Provide application assistance via eligibility workers stationed onsite in provider settings; and
 - Engage community partners in outreach and application assistance through development of educational e-training modules.
- **Low-Income Adults (up to 100% FPL):** Expand insurance coverage to low-income adults via OHP Standard using grant funding to ensure the effective enrollment of all segments of this difficult to track population. Grant funds will:
 - Support implementation of multi-faceted marketing and outreach strategies; and
 - Support communication strategies and provide application assistance to increase enrollment process efficiency.

Grant Years 3, 4 & 5

October 2011 – September 2014

- **Children:**
 - Complete implementation of streamlined eligibility and enrollment processes.
 - Evaluate children’s coverage expansion and outreach activities to improve outreach and enrollment processes.
 - Develop and implement strategies to enroll hardest to reach populations.
- **Low-Income Adults (up to 100% FPL):**
 - Evaluate low-income adults’ expansion and outreach activities to improve outreach and enrollment processes.

Coverage Phase 2 – Sustainable Coverage for All Oregonians

Grant years 1 & 2

October 2009 – September 2011

- Working Uninsured (above 100% FPL):
 - Support the implementation of a small business product and reinsurance strategy.
 - Support the development of a health insurance exchange.
 - Implement multi-share models in select Oregon communities, using grant funding for initial start-up costs.
- Sustaining Comprehensive Coverage:
 - Develop and establish the infrastructure to support a value-driven benefit model for use across all expansion approaches.
 - Develop and implement sustainable payment methodologies.

Grant years 3, 4 & 5

October 2011 – September 2014

- Working Uninsured:
 - Support the implementation of a health insurance exchange in the individual and small group markets, including developing products for potential “gap” populations (e.g., near elderly and young adults). Use grant funding to support necessary market reforms.
 - Support the continued implementation and evaluation of reinsurance and multi-share models.
- Sustaining Comprehensive Coverage:
 - Support the implementation of a sustainable funding source for coverage expansions.
 - Support the implementation of sustainable payment methodologies and other cost containment efforts. Further refine value-based benefit model.

Comprehensive Reform Evaluation and Monitoring

All grant years

October 2009 – September 2014

- Enrollment and Oregon Health Insurance Surveys:
 - Support an enrollment and disenrollment survey that will assess the effect of health insurance on enrollees in Oregon’s coverage expansion
 - Support an Oregon Health Insurance Survey that will evaluate the impact of Oregon’s coverage expansion initiatives on the uninsurance rate in Oregon
- Grant evaluation, reporting, and contract monitoring: Conduct all required evaluation, monitoring and reporting related to SHAP grant funded activities.